



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:00 a.m.
May 21, 2002

MINUTES – SPECIAL MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Christine Yorozu, Chair
Gerry Marsh, Vice Chair
Lois Clement, Secretary
Susan Brady, Member
Mike Connelly, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Susan Harris, Assistant Director
Michael Smith, Chief Tech. Officer
Nancy Krier, Asst. Attorney General
Linda Dalton, Sr. Asst. Attorney General

The special meeting of the Public Disclosure Commission was called to order by Commission Chair Christine Yorozu at 9:06 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Commissioner Comments

Commissioner Yorozu thanked Vicki Rippie and the staff for their continued hard work.

Citizen Comments/Concerns

Mr. Dale Washam commented that in his opinion the Commission staff has failed to follow through on a 1993 directive to develop a PDC policy restricting public officials from politically promoting themselves using public funds and public resources.

Minutes

Motion 02-106

Moved by Commissioner Clement, seconded by Commissioner Marsh:

**The Commission adopts the minutes
of the special meeting of April 9,
2002, as written.**

The motion passed unanimously.

Rule Making

Public Hearing

Doug Ellis reported on possible permanent adoption of proposed amendments to five rules, repeal of one rule and adoption of one new rule. Mr. Ellis noted that a stakeholder meeting was held on April 11, 2002 to give all interested persons an opportunity to participate in the process and three individuals provided comments.

Mr. Ellis added that with an affirmative vote on the proposed rule changes, the permanent rules would go into effect by June 30, 2002.

WAC 390-17-011

Caucus of the state legislature – Definition.
Caucus political committee is defined in RCW 42.17.080(9) and this statute supercedes the current rule.

Motion 02-107

Moved by Commissioner Brady, seconded by Commissioner Marsh:

**The Commission repeals WAC 390-17-011
Caucus of the state legislature – Definition,
as presented.**

The motion passed unanimously.

WAC 390-16-050

Forms for contributions and expenditures of political committees not domiciled in Washington state. The proposed amendments would change the title and specify the types of committees that file a C-5 form.

Motion 02-108

Moved by Commissioner Brady, seconded by Commissioner Marsh:

**The Commission amends WAC 390-16-050
Forms for contributions and expenditures**

of out-of-state or federal committees, as presented.

The motion passed unanimously.

WAC 390-16-055

Filing reports for nonreporting committees. The proposed amendments clarify that if an out-of-state or federal political committee fails to file a timely C-5 report the recipient shall forfeit the contribution to the state. The amendment also changes the period for returning a contribution from three days to five days.

Motion 02-109

Moved by Commissioner Brady, seconded by Commissioner Clement:

**The Commission amends WAC 390-16-055
Filing reports for nonreporting committees,
as amended.**

The motion passed unanimously.

WAC 390-16-060

Forms for report of independent expenditures. This amendment is designed to conform to RCW 42.17.103. The new requirement to report independent expenditures within 24 hours of first being published or presented to the public during the 21 days before an election went into effect in January of this year. The proposed amendments change the C-6 form to reflect the new statute and references an electronic option for filing the special report.

Motion 02-110

Moved by Commissioner Brady, seconded by Commissioner Clement:

**The Commission amends WAC 390-16-060
Forms for report of independent
expenditures, as presented.**

The motion passed unanimously.

WAC 390-18-025

Independent Expenditure Political Advertising – Identification of “top five contributors.” The proposed rule:

- clarifies who selects the top five contributors if more than five contributors give an equal amount to the committee making an independent expenditure
- allows the committee to identify the top five contributors giving to underwrite a specific independent expenditure as opposed to identifying the overall top five contributors to the committee; and
- prohibits the use of funds designated for the benefit of one candidate or slate of candidates from being used for a different candidate or slate of candidates without identifying the original donor as one of the top five contributors of that expenditure.

Elliot Swaney, political director for the Building Industry Association of Washington, spoke in favor of adopting WAC 390-18-025, observing that the proposed rule will improve disclosure.

Motion 02-111

Moved by Commissioner Brady, seconded by Commissioner Clement:

The Commission amends WAC 390-18-025 Independent Expenditure Political Advertising – Identification of “top five contributors,” as presented.

The motion passed unanimously.

WAC 390-17-030

Sample ballots and slate cards. The proposed amendments allow for both written and oral sample ballots to be produced and distributed with a political party's exempt funds. It also clarifies that at least three candidates (federal, state or local) must be listed on sample ballots and slate cards and that the distribution of the sample ballot must be within a geographical area where voters are eligible to vote for at least three of the candidates listed.

Motion 02-112

Moved by Commissioner Brady, seconded by Commissioner Clement:

The Commission amends WAC 390-17-030 Sample ballots and slate cards, as amended.

The motion passed unanimously.

WAC 390-17-060

Exempt activities – Definitions, reporting. The proposed amendments reference the Washington State Supreme Court's decision regarding issue advocacy and the use of exempt funds. The amendment would also:

- eliminate outdated information on how to report activities that may not be paid for with exempt funds;
- refer to the slate card rule as the exception to the general prohibition against using exempt funds for activities that promote clearly identified candidates; and
- allow generic get-out-the-vote activity, regardless of the number of candidates benefited.

Motion 02-113

Moved by Commissioner Brady, seconded by Commissioner Clement:

The Commission amends WAC 390-17-060 Exempt activities – Definitions, reporting, as presented.

The motion passed unanimously.

Enforcement Matters

Hearings

*Citizens for Support of Yelm
Schools and Janice R. McIntyre,
Case #02-285*

Phil Stutzman summarized the case against Citizens for Support of Yelm Schools and Janice

R. McIntyre for alleged violation of RCW 42.17.040 by failing to file committee registration statements and 42.17.080 and .090 by failing to timely file reports of contributions and expenditures during ballot measure campaigns in 1998, 2000 and 2002.

Mr. Stutzman then read the Stipulation of Facts, Violations and Penalty into the record, noting that Citizens for Yelm Schools has enacted a policy to ensure that reports are completed and reviewed on a monthly basis.

Jan McIntyre stated that initially she failed to file as a result of medical problems and was unsure of how to resolve the issue.

Glenn Blando, co-chair, apologized to the Commission and commented that a system of checks and balances have been put in place to ensure that this does not occur in the future. Mr. Blando also requested that the committee pay half of the penalty in June and the remainder by the end of this year.

Harold Chambers, complainant, stated that although he filed the complaint, he did not think it would result in such a large fine. He requested that the penalty be reduced to \$100, which he offered to pay.

Motion 02-114

Moved by Commissioner Clement, seconded by Commissioner Marsh:

The Commission accepts the Stipulation of Facts, Violations and Penalty of \$5,000 with \$2,500 suspended based on no future violations of RCW 42.17 for four years in PDC Case #02-285, Citizens for Support of Yelm Schools and Janice R. McIntyre.

The motion passed unanimously.

Vicki Rippie is authorized to prepare and sign the order on behalf of the Commission.

*Gary Long, Burien City
Manager, Case #02-269*

Mr. Stutzman summarized the case against Gary Long, Burien City Manager, for alleged violation of RCW 42.17.130 by authorizing the distribution of a fact sheet that opposed Initiative 747. He noted that the case was referred to the full Commission following a brief enforcement hearing.

Mr. Stutzman read the Stipulation of Facts and Violation into the record, noting that the parties were unable to jointly recommend an appropriate penalty.

Lisa Marshall, city attorney, introduced Gary Long and requested that the Commission consider suspending the penalty. Gary Long commented that the violation was unintentional and the result of an innocent error.

Motion 02-115

Moved by Commissioner Marsh, seconded by Commissioner Clement:

The Commission accepts the Stipulation of Facts and Violation in PDC Case #02-269, Gary Long, Burien City Manager.

The motion passed unanimously.

Motion 02-116

Moved by Commissioner Marsh, seconded by Commissioner Brady:

The Commission assesses a penalty of \$1,000 to be paid with non-public funds in PDC Case #02-269, Gary Long, Burien City Manager.

The motion passed unanimously.

Vicki Rippie is authorized to prepare and sign the order on behalf of the Commission.

Request for Reconsideration

Jim Downs, Case #02-280

Mr. Stutzman reported that an enforcement hearing was held April 9, 2002 in which Mr. Downs was found in violation of RCW 42.17.130 by authorizing the use of resources of the City of SeaTac Fire Department to assist the 2000 campaign of Geoff Simpson for State Representative. Mr. Downs was assessed a penalty of \$1,000.

Attorney Mary Mirante, representing Mr. Downs, requested that the Commission reconsider the penalty of \$1,000 since it appears that the Commission did not find Chief Downs to be culpable but simply found conflicting testimony between John Gallup and Jim Downs. Ms. Mirante also noted that the actions of Chief Downs were no more egregious than the actions of Keven Rojecki and John Gallup, cases that the Commission heard on January 22, 2002 and imposed lesser penalties.

Commissioner Clement commented that both Mr. Rojecki and Mr. Gallup admitted their errors and have taken steps to ensure that future violations do not occur.

Commissioner Brady noted that ultimately the chief is responsible for the actions of his or her employees as are the events that take place within his fire station therefore she supports the original penalty.

There was no motion to reconsider this matter.

Personal Financial Affairs Reporting

New Modification Request

*Monte Dahlstrom, Commissioner,
Grays Harbor Water District #2*

Mr. Stutzman reported that Mr. Dahlstrom requests an exemption from reporting business customers of Dahlstrom Lumber Company, Local

Manufacturing, Viking Lumber Company and A-Fab, Inc., entities of which he is part owner.

Motion 02-117

Moved by Commissioner Clement, seconded by Commissioner Brady:

The Commission grants the reporting modification to Monte Dalhstrom as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

*William D. Ruckelshaus, Chairman
Salmon Recovery Funding Board*

Mr. Stutzman reported that Mr. Ruckelshaus requests an exemption from reporting business customers of Costco Wholesale, Cummins Engine Co., Inc., Lincoln National Corp., Nordstrom Inc., Pharmacia Corp., Solutia, Inc., Weyerhaeuser Co., World Resources Institute, and Seattle Symphony, entities of which he is a director or board member.

Assistant Attorney General Nancy Krier noted that Mr. Ruckelshaus is one of her clients and if there were any legal questions she would have to recuse herself from answering.

Motion 02-118

Moved by Commissioner Clement, seconded by Commissioner Marsh:

The Commission grants the reporting modification to William D. Ruckelshaus as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewals (with changes)

*Gordon Budke, Trustee, Eastern
Washington University*

Mr. Stutzman reported that Mr. Budke requests an exemption from reporting business of Yoke's Washington Foods, Inc., and of Biomedex, Inc., entities of which he is a director.

Motion 02-119

Moved by Commissioner Clement, seconded by Commissioner Connelly:

The Commission grants the reporting modification to Gordon Budke as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

*Gerald Grinstein, Regent, Univ.
Of Washington*

Mr. Stutzman reported that Mr. Grinstein requests a renewal of last year's reporting modification as well as an exemption from reporting the business customers of Thinkfire, Ltd, and Thinkfire Services USA, Ltd, entities of which he is a director.

Motion 02-120

Moved by Commissioner Clement, seconded by Commissioner Connelly:

The Commission grants the reporting modification to Gerald Grinstein as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

*WA State Democratic Party and
WA State Republican Party*

Mr. Stutzman reported that the WA State Democratic Party and the WA State Republican Party request a modification of the requirements for reporting details of bulk transfers made to their respective federal committees for payment of the state party's share of joint overhead and administrative expenses.

Motion 02-121

Moved by Commissioner Clement, seconded by Commissioner Brady:

The Commission grants the reporting modification to the WA State Democratic Party and the WA State Republican Party as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewals (no changes)

*Cynthia Sullivan, County
Council member, King County*

Mr. Stutzman reported that Ms. Sullivan requests an exemption from reporting her home address for security reasons and an exemption from reporting business and governmental customers of Hebert Research, Inc., a corporation owned by her spouse.

Staff recommends a modification to the request to include "the applicant shall recuse herself from participating as a council member in any matter affecting Hebert Research, Inc., or the reportable governmental or commercial customers of Herbert Research, Inc., of which she is aware."

Ms. Sullivan was present via telephone and stated that Hebert Research, Inc., will no longer conduct research for King County or Sound Transit.

Commissioner Brady clarified that although Hebert Research has agreed not to have any future contracts with King County or Sound Transit, any payments during the period of January through May 21, 2002, must be reported on the personal financial affairs statement due in April of 2003.

Motion 02-122

Moved by Commissioner Clement, seconded by Commissioner Brady:

The Commission grants the reporting modification requested by Cynthia Sullivan as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

The remaining "renewals with no changes" reporting modification requests were considered en masse.

Motion 02-123

Moved by Commissioner Clement, seconded by Commissioner Marsh:

The Commission grants the reporting modifications requested by Timothy Austin, Jeffrey Brotman, Tom Chambers, Elizabeth Cowles, Nolan O. Daines, Gregory Dallaire, Aubrey Davis, Debra Doran, Marcus Gaspard, Carrie George, Steven Hill, David R. Johnson, Stephen L. Johnson, Karen Lane, Kirk J. Michels, Jeffrey Nitta, J. Michael Ogan, Michael Ormsby, Linda Owings-Rosenburgh, Jay A. Reich, Palmer Robinson, Erin

**Sheridan, Mark Thompson, Melinda
Travis, Nancy Waldman and Betty
Woods.**

**The Commission finds that literal
application would cause a manifestly
unreasonable hardship on the applicant
and that a limited modification would not
frustrate the purposes of the act.**

The motion passed unanimously.

Electronic Filing Waiver Update and
Requests

Susan Harris updated the Commission on incumbent legislative candidates and political action committees who are required to file electronically.

Citizens to Elect Bill Eickmeyer

Ms. Harris commented that the temporary waiver from the electronic filing requirement requested by Citizens to Elect Bill Eickmeyer has been withdrawn.

Friends to Elect Lois McMahan

Ms. Harris reported that Friends to Elect Lois McMahan requests a waiver from electronic filing because they do not have the technical ability necessary to file electronically. She noted that staff has worked with her son, who is providing technical services to the campaign, and supplied the campaign with a vendor kit to assist them in meeting the electronic filing requirement.

Motion 02-124

Moved by Commissioner Connelly, seconded by Commissioner Marsh:

**The Commission denies a temporary
waiver from the mandatory electronic
filing provision to Friends to Elect
Lois McMahan.**

The motion passed unanimously.

Staff Reports

Chief Technology Officer

Michael Smith summarized the major projects the information technology staff has been working on noting that the latest version of the WEDS software will be available for distribution in June. Mr. Smith also reported that a WEDS replacement project is currently underway and will include a number of enhancements that will benefit the filer.

Executive Director

Vicki Rippie discussed the current budget status report and requested and received Commission concurrence to transfer \$70,000 from FY02 to FY03 to offset supplemental budget reductions.

Assistant Director

Susan Harris summarized the activities of the data entry staff and the compliance staff.

Executive Session

The Commission went into executive session at approximately 12:15 p.m. to discuss pending and potential litigation with legal counsel.

Public Session/Adjournment

The Commission returned to public session and adjourned the meeting at approximately 1:00 p.m. The next meeting is scheduled for Thursday, June 20, 2002.

Approved by the Commission 7/23/02